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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECORDED 20548
FEB 18 1997 12:25 PM

February 18, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease Agreement, dated as of February 14, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Banc One Leasing Corporation
2400 Corporation Exchange Drive
Suite 300
Columbus, OH 43231

Lessee: Dakota, Minnesota & Eastern Railroad Corporation
337 22nd Avenue South
PO Box 178
Brookings, SD 57006

A description of the railroad equipment covered by the enclosed document is:

one hundred (100) triple hopper railcars DME 49100 through DME 49199, inclusive.

Counterparts - EAM Lester

Mr. Vernon A. Williams
February 18, 1997
Page 2

Also enclosed is a check in the amount of \$22.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", written in a cursive style.

Robert W Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

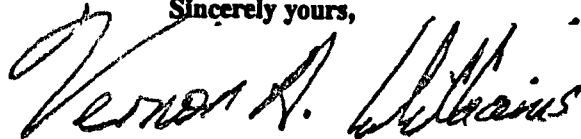
2/18/97

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/18/97 at 12:25PM , and assigned recordation number(s). 20548 , 20549 and 19321-N.

Sincerely yours,

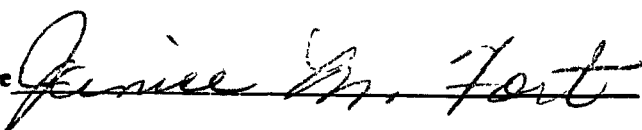


Vernon A. Williams
Secretary

Enclosure(s)

\$ 66.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



20548
FEB 18 1997 12:04 PM

Memorandum of Lease Agreement for 100 covered hopper cars ("Lease Agreement") made and entered into as of February 14, 1997 by and between Dakota, Minnesota & Eastern Railroad Corporation ("Lessee") and Banc One Leasing Corporation ("Lessor").

WITNESSETH:

1. Lessor has agreed to furnish to Lessee, and the Lessee has agreed to lease from Lessor, one hundred (100) covered hopper cars bearing the railroad reporting markings set forth on Schedule A-1.
2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the Lease Term, as defined in the Lease Agreement.

In witness, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DAKOTA, MINNESOTA & EASTERN
RAILROAD CORPORATION

By: 

Title: ~~Y Kurt V. Feaster, Chief Financial Officer~~
Treasurer & Ass't Secretary

BANC ONE LEASING CORPORATION

By: 

Title: ~~MR. FUNDING ADVISORY~~

STATE OF South Dakota

)

) SS.

COUNTY OF Brookings

)

BEFORE ME, a Notary Public in and for said County and State, personally appeared Kurt V. Feaster as Chief Financial Officer of the above-named Corporation, DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION, who acknowledged that he/she did sign the foregoing instrument for and on behalf of the Corporation, by authority of its Board of Directors, and that the same is the free act and deed of the Corporation and the free act and deed of him/her personally and as such officer.

IN TESTIMONY, I set my hand and official seal, this 14th day of February, 1997.

Joyce L. Hook
Notary Public

My commission expires: MAY 5, 2002

STATE OF Ohio

)

) SS.

COUNTY OF Franklin

)

BEFORE ME, a Notary Public in and for said County and State, personally appeared Todd A. Ehninger as Manager, Funding Authority of the above-named Corporation, BANC ONE LEASING CORPORATION, who acknowledged that he did sign the foregoing instrument for and on behalf of the Corporation, by authority of its Board of Directors, and that the same is the free act and deed of the Corporation and the free act and deed of him personally and as such officer.

IN TESTIMONY, I set my hand and official seal, this 17th day of February, 1997.

Kerry Morse
Notary Public

Kerry L. Morse, Attorney at Law
Notary Public, State of Ohio
has no expiration date.
Section 147.03 R.C.

My commission expires: has no expiration date.

Banc One Leasing Corporation

SCHEDULE A-1 EQUIPMENT LEASED HEREUNDER

QUANTITY	DESCRIPTION	PAGE	1
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LOCATION:
337 22ND AVE SOUTH
MINNEHAHA COUNTY
SIOUX FALLS, SD 57006

COST \$5,596,200.00

100 TRIPLE HOPPER RAILROAD FREIGHT CARS INCLUDING:

S/N: 759743 - 759842 THAT ARE ALSO KNOWN AS DM&E CAR NUMBERS 49100-49199

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS,
REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.

This Schedule A-1 is attached to and made a part of Lease Number 1000056276 and
constitutes a true and accurate description of the equipment.

Lessee:

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

By: W. V. R. O.

Date: 2-14-97